



*Office of the United States Attorney  
District of Arizona*

FOR IMMEDIATE RELEASE  
Friday, March 3, 2006

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## **MESA MAN PLEADS GUILTY TO \$28 MILLION INVESTMENT FRAUD**

PHOENIX – Michael Alexander, 42, of Mesa Ariz., pleaded guilty here yesterday to one count of money laundering. On March 2, 2006 Alexander pleaded guilty and admitted that he laundered \$12,000 through his personal bank account. In the plea agreement Alexander agreed to make restitution of \$407,057.

The indictment charged Robert Alexander, David Miller, and Michael Alexander with fraud in connection with their solicitation of investments from investors into a product-brokering business. The defendants were in reality conducting a Ponzi Scheme, a scheme in which a portion of the returns are paid to initial investors from monies paid into the scheme by newer investors. Most of the funds paid by investors are kept by the originators of the scheme and typically used to support a lavish life style. In total, the indictment alleged that over 50 investors transferred over \$28 million between July 2000 and January 2005.

Sentencing is set before U.S. District Court Judge David Campbell on May 1, 2006. A conviction for transactional money laundering carries a maximum penalty of ten years in prison, a \$250,000 fine or both. In determining the actual sentence, Judge Campbell will consult with the U.S. Sentencing Guidelines, which provide appropriate sentencing ranges. The judge, however is not bound by those guidelines in determining a sentence.

The investigation preceding the indictment was conducted by the FBI, the Internal Revenue Service Criminal Investigation Division; the Food and Drug Administration, Office of Criminal Investigations and the Scottsdale Police Department. The prosecution is being handled by Michelle Hamilton-Burns, Assistant U.S. Attorney, District of Arizona, Phoenix.

CASE NUMBER: CR-05-00472  
RELEASE NUMBER: 2006-037(Alexander)

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